

THE JACOBS REPORT

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ECONOMISTS: MICHIGAN ON THE REBOUND

According to a new Michigan Business Activity Index compiled by Comerica Bank, Michigan's economy has bottomed out. After four years of decline, the index rose during the month of June, a signal to economists that the recession in Michigan has finally come to an end under the leadership of Governor Jennifer Granholm.

"The rebound in activity was broadly based, with seven of the ten components of our index going up in June," said Dana Johnson, chief economist at Comerica. "The Michigan economy probably bottomed out in May. I expect a pattern of gradual improvement to emerge over the second half of 2005."

Comerica's MBAI represents 10 different measures of the state's economy that are compiled by the bank's Economics Department. The MBAI is seasonally adjusted, corrected for inflation, and expressed as an index with 1996 as the base year equal to 100.

The index series has been calculated monthly since 1957 and depicts state economic activity over seven full swings of the U.S. business cycle.

BUSY WEEK FOR PUBLIC SERVICE COMMISSION

**Orders Detroit Edison and Consumers Energy to File Reports on Outages;
Adopts New Telecommunication Service Quality Rules**

Capping off a week of busy activity, the Michigan Public Service Commission (MPSC) ordered Detroit Edison and Consumers Energy to file reports by Nov. 1 on frequent electric outages and low voltage problems in certain Michigan communities.

Complaints to the Commission about frequent outages or low voltage problems have increased 10 percent since last year, something that may be indicative of a need for electric distribution improvements. An analysis shows that complaints

from 22 ZIP codes account for 25 percent of all frequent outage and low voltage complaints received by the MPSC.

The MPSC order directs the utilities to file reports detailing a review of outages in the identified areas, an assessment of reasons for abnormal level of outages or voltage problems; and plans for necessary improvements.

The MPSC staff will review the reports and make recommendations for further MPSC action, if needed.

The affected Detroit Edison zip codes/communities are: 48103 (Ann Arbor); 48111 (Belleville); 48124 (Dearborn); 48125 (Dearborn Heights); 48131 (Dundee); 48146 (Lincoln Park); 48170 (Plymouth); 48174 (Romulus); 48187 (Canton); 48197 (Ypsilanti); 48227 (Detroit); 48228 (Detroit); 48230 (Grosse Pointe); 48235 (Detroit); 48302 (Bloomfield Hills); 48316 (Shelby Township); 48323 (West Bloomfield); 48390 (Walled Lake); and 48465 (Minden City).

The affected Consumers Energy zip codes/communities are: 48504 (Flint); 49080 (Plainwell); and 49301 (Ada).

The MPSC also rescinded former rules governing the quality of telecommunication services and adopted new rules further protecting consumers.

“These new telecommunication service rules protect customers seeking phone services or repairs,” said MPSC Chairman J. Peter Lark. “As the market becomes more competitive, these rules will go a long way in maintaining the significant protections customers have always enjoyed in Michigan.”

The new telecommunication service rules address a broad range of issues, including records, reports and tariffs; customer relations; engineering and planning; repair and installation; monitoring; and waivers and exceptions.

Highlights of the rules include immediate measures requiring facilities-based telecommunications providers to:

- Promptly report to the Commission all disruptions that affect the lesser of 25 percent or 2,000 of the access lines in any exchange for one hour or more, and file a report with the Commission within 30 days.

- Furnish reasonable access to information and assistance necessary to enable the customer to obtain the most economical service available to meet their needs.
- Furnish a customer up to two numbers per call to directory assistance.
- Investigate and respond fully and promptly to a customer with an oral or written complaint within 10 business days after receiving the complaint.
- Maintain service so that the average monthly rate of all customer trouble reports does not exceed four per 100 access lines.
- Take customer repair requests at all hours.
- Clear all out-of-service trouble of a non-emergency nature within a monthly average of 36 hours after being reported to or found by the provider.
- Repair the same, repeat out-of-service found within 30 days of a prior repair on the same or next business day, if identified as a repeat trouble.
- Keep all repair commitments scheduled at least 48 hours in advance, unless the provider contacts the customer not less than 24 hours in advance and reschedules the appointment or commitment.
- Install service for residential or small business customers within a monthly average of five business days of the installation request, or a monthly average of 10 business days after a customer is released for a migration.

The following rules become effective in 2008, requiring providers to:

- Not market new services to a customer calling to report a repair request, unless such services would assist in resolving the problem.
- Give credits to residential or small business customer for the second or third day of an out-of-service incident, as well as credits for the fourth and succeeding days until service is restored.
- Give a credit for the same repeat trouble within 30 days of the first occurrence.
- Give a credit of \$25 for each missed repair commitment.
- Waive 50 percent of the installation fee if it does not complete an installation by the fifth day or tenth day for a migration or commitment date (unless the customer misses the appointment).

Facilities-based providers either own or control the network facilities used to provide basic local exchange service to end use customers. Such providers include all incumbent local exchange providers and some competitive providers as well.

The MPSC is an agency within the Department of Labor & Economic Growth.

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/> .

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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